

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

AUGUST 14, 2000

IN RE:)	
)	
BELLSOUTH TELECOMMUNICATIONS, INC.'S)	DOCKET NO.
TARIFF FILING TO OFFER CONTRACT)	99-00335
SERVICE ARRANGEMENT (TN 97-7370-04))	
)	

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN 97-7370-04)**

This matter came before the Tennessee Regulatory Authority ("Authority") at the regularly scheduled Authority Conference of June 8, 1999 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 97-7370-04 ("CSA"). BellSouth filed Tariff No. 99-00335 on May 5, 1999, with a proposed effective date of June 8, 1999.

A majority¹ of the Directors of the Authority determined that, in this docket, the CSA should be approved, and they made the following findings and conclusions:

1. The purpose of this CSA is to provide Frame Relay Service to the customer identified in the filing. Frame Relay utilizes a special network, separate from the public switched network, for providing customers with high-speed data transport between multiple locations.

¹ Directors Greer and Kyle have consistently voted to approve this specific service type of CSA. Director Greer has voted to approve such CSAs because they benefit consumers and comply with BellSouth's tariffs. Director Kyle has stated on the record that the CSAs she votes to approve are a benefit to the consumer who is receiving lower rates and are not harmful to competition. Chairman Malone voted to deny this CSA consistent with both his reasoning and his votes on November 17, 1998; January 12, 1999; January 19, 1999; February 2, 1999; March 16, 1999; and April 20, 1999 relative to similar CSAs. Chairman Malone generally opined in those other dockets that approval of each CSA without a thorough review and analysis may substantially impede the development of a competitive environment because there is not sufficient information available to determine whether the CSAs may be discriminatory, anti-competitive or in violation of state and/or federal law.

2. The term of this CSA is sixty (60) months, and it is designed to provide Frame Relay Service at an overall rate comparable to competitive alternatives. Through this CSA, BellSouth is offering the customer a total discount of fifteen percent (15%) off the general tariff rate as well as a waiver of nonrecurring charges during the term of the contract.

3. The termination provision applicable to this CSA imposes a ninety percent (90%) buy-out on the consumer.²


4. No parties sought to intervene in this docket.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc.'s Tariff No. 99-00026, which seeks approval of Contract Service Arrangement No. TN 97-7370-04, is hereby granted.

* * *

Melvin J. Malone, Chairman



H. Lynn Greer, Jr., Director



Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary

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* * * Chairman Malone voted against approval.

² Chairman Malone opined that a ninety percent (90%) buy-out provision would more likely than not have the effect of locking a customer in for five (5) years and prohibiting migration to competitors. Such an effect would necessarily limit the development of a competitive environment.